



Agenda Date: 10/7/09
Agenda Item: IIIB

STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF CABLEVISION) RENEWAL
OF NEW JERSEY, LLC FOR RENEWAL OF A) CERTIFICATE OF APPROVAL
CERTIFICATE OF APPROVAL TO CONTINUE TO)
OPERATE AND MAINTAIN A CABLE TELEVISION)
SYSTEM IN THE BOROUGH OF CLOSTER, COUNTY)
OF BERGEN, STATE OF NEW JERSEY) DOCKET NO. CE09070534

James Eric Andrews, Esq., Schenck, Price, Smith & King, Morristown, New Jersey, for the
Petitioner

Borough Clerk, Borough of Closter, New Jersey by Loretta Castano, for the Borough

BY THE BOARD:

On March 7, 1979, the Board granted Cablevision Systems Corporation d/b/a Cablevision of New Jersey ("CVNJ") a Certificate of Approval, in Docket No. 791C-6441, for the construction, operation and maintenance of a cable television system for the Borough of Closter ("Borough"). On August 24, 1989, the Board granted CVNJ a Renewal Certificate of Approval for the Borough in Docket No. CE89060532. On June 26, 2002, the Board granted CVNJ a Renewal Certificate of Approval for the Borough in Docket No. CE00110890. Based on a name change, the current holder of the Certificate is Cablevision of New Jersey, LLC ("Petitioner"). Although by its terms the Petitioner's above referenced Certificate expired on March 7, 2009, the Petitioner is authorized to continue to provide cable television service to the Borough pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the Borough on June 10, 2008, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. On February 25, 2009, the Borough adopted a municipal ordinance granting renewal consent to the Petitioner. On May 18, 2009, the Petitioner formally accepted the terms and conditions of the ordinance. On July 16, 2009, pursuant to N.J.S.A. 48:5A-16, the Petitioner filed with the Board for a renewal of its Certificate of Approval for the Borough.

The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval and the municipal consent ordinance. Based upon this review and the recommendation of the Office of Cable Television, the Board **HEREBY FINDS** the following:

1. The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval. Further, the Borough reviewed these qualifications in conjunction with the municipal consent process.
2. The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
3. The Petitioner has represented that all previously required construction within the franchise territory is complete.
4. The franchise period as stated in the ordinance is 15 years from the date of issuance of this Certificate. The Board finds this period to be of reasonable duration.
5. The Petitioner's rates shall be regulated and tariffs shall be filed for all services, in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain an informational schedule of prices, terms and conditions for unregulated service and promptly file any revisions thereto.
6. Pursuant to statutory requirements, the ordinance specifies a complaint officer to receive and act upon complaints filed by subscribers in the Borough. In this case, it is the Office of Cable Television. All complaints shall be received and processed in accordance with the applicable rules.
7. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office is located at 5 Legion Drive in the Borough of Cresskill, New Jersey.
8. The franchise fee to be paid to the Borough is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the Borough and shall be increased as required by N.J.S.A. 48:5A-30. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
9. The Petitioner shall provide cable to all residences in residentially zoned areas of the franchise territory at tariffed rates for standard and non-standard installation. Residents in commercial areas shall be provided service in accordance with the line extension policy attached to this Certificate as Appendix "I" with a homes per mile figure of 20.
10. The Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with its renewal application and the ordinance. The Petitioner shall provide one channel for PEG access purposes which is shared by the other municipalities in the system. The channel is available for use by schools, libraries, religious, government and other organizations within the community wishing to cablecast their non-commercial programming.

11. Upon written request of the Borough, the Petitioner shall install a fiber return feed at a municipally designated building, provided it is a standard installation, solely for the benefit of the Petitioner's subscribers in the Borough. Upon completion of the installation, the Petitioner shall provide the Borough, in lieu of the regional PEG access channel described in Condition No. 10 above, with its own designated PEG access channel for the exclusive use of the Borough.
12. The Petitioner shall provide the Borough with a grant for cable and/or telecommunications related purposes in the total amount of \$18,000.00 as follows: \$4,000.00 within the first year and, within 60 days of receipt of the Borough's annual written request, \$1,000.00 per year for the following 14 years. The Petitioner shall be relieved of any remaining payments if it converts its municipal consent to a system-wide franchise as provided by N.J.S.A. 48:5A-25.1(a). Upon payment of each portion of the contribution, the Petitioner shall provide the Office of Cable Television with proof of satisfaction of this obligation.
13. The Petitioner maintains an access studio for use by any individual or group residing in the Borough for production of PEG access programming and provides television production training. Use of the access studios, equipment and editing facilities shall be available free of charge to individuals or interested groups on a first-come, first-served basis through scheduling with a studio supervisor. The Petitioner also provides some remote equipment for use on field shoots.
14. Upon request of the Borough, the Petitioner shall provide one standard installation and monthly cable service, free of charge, to all state and local accredited elementary and secondary schools, all public municipal libraries and all municipal buildings located in the Borough.
15. Upon written request of the Borough, the Petitioner shall provide, free of charge, one high-speed cable modem and monthly Internet access service, including standard installation, to one municipally-owned facility at the Borough's choosing.
16. Upon written request of the Borough, the Petitioner shall provide, free of charge, one high-speed cable modem and monthly Internet access service, including standard installation, to each state or locally accredited elementary and secondary school, and all municipal public libraries in the Borough.

Based upon these findings, the Board **HEREBY CONCLUDES**, pursuant to N.J.S.A. 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of N.J.S.A. 48:5A-1 et seq., except as modified above, that the Petitioner has complied or is ready, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is **HEREBY ISSUED** this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Borough.

This Renewal Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 C.F.R. §76.1 et seq., including but not limited to, the technical standards of 47 C.F.R. §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire 15 years from the date of its issuance.

DATED: 10/8/09

BOARD OF PUBLIC UTILITIES
BY:

Jeanne M. Fox

JEANNE M. FOX
PRESIDENT

Frederick F. Butler
FREDERICK F. BUTLER
COMMISSIONER

Joseph L. Fiordaliso
JOSEPH L. FIORDALISO
COMMISSIONER

Nicholas Asselta
NICHOLAS ASSELLTA
COMMISSIONER

Elizabeth Randall
ELIZABETH RANDALL
COMMISSIONER

ATTEST:

Kristi Izzo
KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities

Kristi Izzo

APPENDIX "I"
CABLEVISION OF NEW JERSEY, LLC
BOROUGH OF CLOSTER

Office of Cable Television
Line Extension Policy

A cable operator is required to absorb the cost of extensions to the system in the same proportion that the extension is to the remainder of the system.

Actual subscribers served by the extension are required to absorb the remainder of the cost.

If new subscribers are added to the extension the cost is adjusted and those who previously paid receive an appropriate rebate.

- | | | |
|---|---|---|
| 1. <u># of homes in extension</u>
mileage of extension | = | homes per mile (HPM) of
extension |
| 2. <u>HPM of extension</u>
Minimum HPM that
company actually
constructs in the
system * | = | ratio of the density of
the extension to the
minimum density which the
company constructs in the
system ("A") |
| 3. Total cost of building
the extension times "A" | = | company's share of
extension cost |
| 4. Total cost of building
extension less company's
share of extension cost | = | total amount to be
recovered from
subscribers |
| 5. Total amount to be
<u>recovered from subs</u>
Total subscribers in
extension | = | each subscriber's share |

In any case, the company shall extend its plant along public rights of way to:

1. All residences and businesses within 150 aerial feet of the operator's existing plant at no cost beyond the normal installation rate.
2. All residences and businesses within 100 underground feet of the operator's plant at no cost beyond the normal installation rate.

* The minimum HPM that the company actually constructs in the system or municipality is the minimum number of homes that the company has historically constructed at its own cost. This is a function of the operator's break-even point and its rate of return. Unbuilt systems will use the primary service area rather than construction.

The operator's installation policies shall apply to construction beyond the public right of way.

Detailed accounting and/or financial information to support the minimum HPM shall be supplied to the Office for its approval in such form as required. The minimum HPM shall be updated as appropriate.

When a request for service is received, and unless good cause is shown, cable companies shall:

1. Provide a written estimate within 30 days of such a request.
2. Begin construction within 60 days of receipt of any deposit monies from potential subscribers.
3. Complete construction within six months of receipt of any deposit monies from potential subscribers.
4. Inform each home passed along the extension of the potential costs for subscribers.

Subscribers who pay for an extension shall be entitled to rebates in the following manner:

1. If the company acquires new subscribers subsequent to the initial calculation of step 5 above, the formula will be adjusted and those who have previously paid for the extension will be entitled to an appropriate rebate. In no event shall the amount of the rebate exceed the subscriber's contribution.
2. The company shall keep accurate records of the cost of the extension, the amounts paid by subscribers and any appropriate adjustments.
3. The company shall notify subscribers in the extension of their rights and responsibilities concerning the extension.
4. Once an individual dwelling has paid its share of the extension cost future reconnections or installations shall be made at the company's standard rates.
5. After a period of five years from the installation of the first dwelling unit in the extension no further adjustments shall be made. Installations after five years shall be at the company's standard rate.
6. Once a subscriber is installed, that person shall not normally be entitled to a refund of any monies paid for the installations, except in accordance with the rebate procedure outlined in this policy.

Definitions

Primary Service Area

The Primary Service Area (PSA) can be an entire municipality, but in many instances the PSA is a limited area within a community outside of which a line extension policy may apply. The PSA is depicted by a franchise map and narrative, presented and recorded during the franchise proceedings. It normally remains a fixed geographic area throughout the life of the franchise.

Line Extension Survey

Potential subscribers residing outside the PSA who request service are entitled to an estimate of their share of the cost to secure service. When conducting a survey and estimating costs, a cable company should factor in all potential subscribers who could practicably be included in the extension and give consideration to apparent residential construction in areas contiguous to the proposed extension.

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